

# THE CANTRELL REPORT

Pertinent Information for Apartment Owners

January 2003

JOB GROWTH <sup>1</sup>	Area New Jobs	Mo of	6 Mo	12 Mo
		11/02	End 11/02	End 11/02
	Dallas MSA	2,100	400	(6,400)
	FW/Arlington MSA	3,500	(5,100)	(5,200)
	Total	5,600	(4,700)	(11,600)

  

INTEREST RATES <sup>2</sup>	Rates	1/2/02	Yr. Ago	
		10 Year Treasury	3.89%	5.11%
	11th District COFI	2.71%	3.37%	
	1 Mo. LIBOR	1.38%	1.87%	
	FNMA, Freddie Mac & CMBS lenders' rates are fixed at approx 1.8-2.0% over the 10 year treasury. Other lenders' rates are adjustable at approx 3% over COFI or LIBOR.			

  

SUPPLY/ DEMAND <sup>3</sup>	Units Added/ Absorbed	3 Mo	6 Mo	12 Mo
		End 12/02	End 12/02	End 12/02
	<b>Dallas County</b>			
	Added	600	1,346	6,297
	Absorbed	(1,212)	(2,500)	862
	<b>Tarrant County</b>			
	Added	441	1,404	2,912
	Absorbed	(2,058)	(1,285)	306

  

OCCUPANCY RATES <sup>3</sup>	Dallas County	12/02	6 Mo Ago	1 Yr Ago	
		1990's or Newer	89%	89%	88%
	1980's	90%	92%	92%	
	1970's or Older	89%	91%	92%	
	<b>Tarrant County</b>				
	1990's or Newer	86%	89%	87%	
	1980's	91%	92%	92%	
	1970's or Older	89%	92%	92%	

  

RENTAL RATES <sup>3</sup>	Dallas County	12/02	6 Mo Ago	1 Yr Ago	
		1990's or Newer	\$1,071	\$1,071	\$1,066
	1980's	\$658	\$664	\$664	
	1970's or Older	\$633	\$633	\$629	
	<b>Tarrant County</b>				
	1990's or Newer	\$891	\$898	\$904	
	1980's	\$612	\$612	\$611	
	1970's or Older	\$562	\$559	\$553	

  

HOME OWNERSHIP <sup>4</sup>	Homebuilder Price/Size	Mo P/I Tax/Ins	
	Choice Homes	\$79,950 2-2-1	\$650
Fox & Jacobs	\$89,990 3-2-2	\$877	

Information obtained from sources deemed reliable, but not guaranteed.

## MISINFORMATION ABOUT WATER BILLING

By: David Mintz, Director of Government Affairs, Texas Apartment Association

In recent weeks, there has been some misleading information about a new law on water billing that has been circulating through the apartment industry.

HB 2404, which passed last session with TAA's support, requires property owners who implement a water-billing program after January 1, 2003 to:

- 1) Have aerators on all faucets.
- 2) Have low-flow shower heads.
- 3) Perform a leak audit (the methodology for conducting an audit is undefined; there are many options), an
- 4) If the property has toilets that use **more** than 3.5 gallons per flush, the toilet must be modified to use 3.5 gallons or less, **or** a 1.6 gallon per flush toilet must be installed within one year after the water billing program is implemented

Properties that begin a water-billing program prior to January 1, 2003 do not have to meet the above requirements

The legislation **DOES NOT**:

- 1) Require all properties to begin a water-billing program before January 1, 2003.
- 2) Require all toilets to be replaced

It should also be noted that many water utilities offer rebates or other incentives for installing water conservative devices. Properties built since the late 1970's generally have toilets that use 3.5 gallons or less. Older properties may have 5- or 7-gallon flush toilets.

Some of the advertising that has gone out states that 3.5 gallon toilets must be replaced. This statement is incorrect – the law only applies to toilets that use **more** than 3.5 gallons per flush. If a property does have to replace toilets, the "payback" period should be less than one year

A copy of HB 2404 can be found online at <http://www.capitol.state.tx.us>. For more info - contact David Mintz at (512) 479-6291 or e-mail at david@taa.org.

The Cantrell Company specializes in the brokerage of multi-family properties. Please contact the below apartment specialists for exclusive representation for the sale of your apartment property or for your next purchase.

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